

Information Request AG-1-3

- A. Please provide the workpapers, backup, and calculations that support each overhead factor used in your filing.
- B. Are these factors use in other regulatory cases?
- C. Please supply all recent (since 2002) NSTAR testimony and workpapers with supporting backup including timesheets that use overhead factors. Explain their use in NSTAR cost accounting and any other applications where they are used. Please supply the data in an Excel spreadsheet file as well as in a paper version.

Response

- A. Please refer to Attachment AG-1-3. This attachment calculates the total NSTAR benefit allocator for the 12 months ending 2003. Federal and State Payroll tax rates of approximately 9 percent are added to this benefits allocator to calculate the overhead factor of 74 percent.
- B. & C.
Generally, overhead factors are not applied to regulatory cases and have not been included in any other regulatory case since 2002. For example, to determine a company's revenue requirement in a rate case, costs relating to benefits are separately identified and not applied as an overhead factor to direct labor costs. However, the annual Energy Efficiency Plan filed by NSTAR Electric filing does have embedded in its calculations a component relating to overheads, which is the same overhead factor used in this filing.